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Gentlemen:

We'd like to submit information for your consideration under International Bureau Docket Number 95-91.

We are private citizens who own a C Band receiving system, receiving both public (free) broadcasting and commercial (fee) broadcasting.

We are opposed to government auction of the broadcast frequency band presently used by the citizenry-at-large. We (and the commercial organizations who supply us the signal) have large amounts of money invested.

Perhaps the FAA has or should have power to auction off certain frequency bands - but NOT those at the national level. Some of the reasons are discussed in Attachment 1 to this letter. It was clipped from Satellite TV Week Vol 14, Number 38, Page 2, for the period 17-23 September 1995.

Thank you for your reconsideration of our views.

Respectfully,

Bob Shea Rose S. Shea

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Atch 1: Satellite TV Week

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Washington Report

Satellite Auctions May Cost Dish Owners

Auctioning broadcast spectrum might be a creative way to generate money for the federal government but dish owners eventually may pay a price for that budgetary creativity.

In the last two years the Federal Communications Commission (FCC) has begun auctioning spectrum, including one for personal computing services (PCS) which raised \$9 billion dollars for the government. Now the FCC is pondering the possible selling of satellite broadcast spectrum.

"People in Congress have been mesmerized by the \$9 billion figure that came in from the PCS auction," said Andy Paul, the Satellite Broadcasting and Communications Association's (SBCA) senior vice president of government affairs. "They see the cash register ringing and they think, 'Ah, we'll apply this to everybody that uses something that's wireless.'"

But, Paul said, if satellite spectrum is allowed to be auctioned to the highest bidder, there will be many losers, including dish owners.

"If a company has to pay an auction fee for an orbital slot, it will have to pass that down to the users and ultimately to the consumers," Paul said. "If this industry is the designated competitor to cable, right away that playing field has been tilted against the satellite industry by using satellite auctions. The wire-line guys don't have those fees to pass on; they just lay the wire; there's no auction."

Chuck Hewitt, SBCA president, said satellite spectrum sales "will be a front-end tax. This is a serious problem. It could jeopardize the entire industry."

To protect the industry, Paul said the SBCA is trying to educate the FCC and Congress about the vast differences between PCS and satellite spectrum auctions.

He explained that the PCS situation involved auctioning off 2,500 PCS cells, which are basically for low-power, wireless use in well-defined basic trading areas (BTA), or specific geographic areas.

"You do frequency spacing so you can use the frequency over and over again in other cities because you don't have the interference problem," Paul said. "So one is not really applying for the universal use of the spectrum like a massive satellite footprint. It's not really the use of spectrum in those cells, it's really about who will have the right to offer service."

"When you're talking in general about auctioning off satellite, now you're talking about a continental footprint. That's a lot different, because you'll never be able to

use that frequency again. Somebody else can't use it 200 miles away in another cell because there are no cells."

There are some additional negative ramifications to satellite spectrum auctions, Paul said. There are major expenses — at least several hundred million dollars — involved in designing a satellite system, launching the bird and making the enterprise operational. And it can take up to six years or more to get the system running.

"Satellite entrepreneurs are looking at a pretty significant amount of money being invested with possible non-recoverable costs," Paul said. "And for them to learn halfway through their construction phase that not only will they have to bid for the slot, they may even lose it to some guy that is going to beat them out, they'll realize they may be throwing their money down a well. The real entrepreneurial guys are going to think twice before getting in the game."

Paul added that the United States could set a dangerous precedent for the rest of the nations of the world to also charge vast sums of money for orbital slots over their countries.

"You've given them a legitimate vehicle for keeping U.S. services out of there," Paul said. "They can lock us out or green-mail us: 'You want to come in, fine. It'll cost you \$500 million.' You're going to start a chain reaction which ultimately will mean locking out U.S. services. We know Canada and Mexico are watching."

"The irony of this is right now we are the world leaders in satellite technology. Satellite has enormous potential that no other technology can do. Fiber can't do what this technology will do over the next five years. Spectrum auctions, if they're not careful, will kill the goose that laid the golden egg. Is that really a great public policy?"

Rod Porter, deputy chief of the FCC's International Bureau, said now is the best time for members of the public to register their opinions on this public policy subject. The commission is actively reviewing what's called a notice of proposed rule-making (NPRM) on the auctioning of the digital audio radio satellite (DARS) spectrum. This NPRM is considering satellite spectrum auctions in general.

Comments must be mailed to the FCC on or before October 13, 1991, to: Office of the Secretary of the Federal Communications Commission, William Caton, 1919 M St. NW, Washington, D.C. 20554. Refer to it as International Bureau Docket Number 95-91.

— Paul DeMark